



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

SERVICE COORDINATOR PROGRAM

EXTENSION REQUEST PACKAGE

FISCAL YEAR 2006



U.S. Department of Housing and Urban Development

U.S. Department of Housing and Urban Development
Office of Housing
Office of Multifamily Housing Programs

Dear Housing Owner/Manager,

The following is information regarding the application for and receipt of grant extension funds to continue your Service Coordinator program. Please prepare a letter requesting a grant extension and a One-Year Budget form, HUD-91186-A and send it to your Project Manager or Service Coordinator contact person in your local Field Office. Please keep in mind that extension funds are limited and will only be approved for projects with successful program operation, continued critical need, and lack of other funding options. HUD will endeavor to fill as many extension requests as possible, but can only do so based on the availability of funds.

To apply for an extension this year, your existing Service Coordinator contract or grant should have expired in FY 2005 or will expire in calendar year 2006 (expires anytime between October 1, 2004 through December 31, 2006). During FY 2006, the Service Coordinator contracts or grants that may expire are as follows:

- Subsidy awards (i.e. Section 8) or grants awarded in FYs 1992 through 2002, and
- One year extensions provided to previously expired contracts/grants.

PREPARING YOUR EXTENSION REQUEST

1. When to Apply. HUD requires owners to use all existing grant monies and any available project funds to pay for their Service Coordinator program before they can receive new grant funds.

You should submit your request to your local Field Office no earlier than 120 days before you run out of available grant or project funds. Field staff will provide your extension request to HUD Headquarters 90 days before you run out of money. This process ensures that owners who run out of resources first will receive their extension funds first.

There is one exception. If you estimate that your program will run out of funds between October 1 and December 31, 2006, please send your extension request to your Field Office no later than August 1, 2006. If funds are available, extension funds will be provided before the end of the Federal Fiscal Year (September 30). (In this situation the Field staff may send your request to Headquarters more than 90 days before you run out of funds.)

Example: The owner of Cherry Blossom Towers determines that according to normal program costs, the Service Coordinator program will have exhausted all grant funds by

July 31, 2006. The owner should submit the extension request to HUD no earlier than April 1, 2006.

2. Use of Project Funds. “Project funds” include Section 8 rental subsidy (i.e. Section 8 operating funds), residual receipts, or Section 236 excess income. When possible, you should use available project funds to cover the costs of a Service Coordinator prior to receiving new extension funds. Your HUD Project Manager will determine whether your development has sufficient project funds available for this purpose.

Owners of Section 202 developments may use any residual receipts amount that exceeds \$500 per unit for this purpose. Follow outstanding procedures in the Management Agent Handbook, 4381.5, Chapter 8, to request use of these funds.

If you run out of project funds within three years following your last grant term date, you can apply for extension funds using this Package. If you have been using project funds for more than three years, you must apply for a new grant through the FY 2006 Service Coordinator Notice of Funding Availability (NOFA) to continue your program.

3. Amount of New Funds to Request. HUD will provide up to a three (3) percent increase in funds each year. This means that you may receive an amount up to 3% more than the grant amount awarded for your last 12-month grant period. HUD will not make exceptions for increases above three percent.

Example: Cherry Blossom Towers’ current year’s grant amount is \$37,905. For the coming year they should then receive no more than \$39,042 ($\$37,905 \times 1.03$).

There are two situations in which HUD may not provide a three percent increase, as follows:

1. If HUD added one-time additional costs to your current year budget, for a purpose such as purchasing a new computer, you should subtract this one-time cost from your current grant amount before multiplying it by 1.03.
2. If your ongoing operating costs are lower than you had anticipated, HUD will provide funds that equal a three percent increase over your current rate of expenses, rather than your grant amount.

You also may not request additional funding to increase the Service Coordinator’s hours or to hire another part- or full-time Service Coordinator or aide. While HUD recognizes that there is a need to add hours to many programs, we are restricted by limited funding.

PREPARING YOUR REQUEST

Submit a brief letter addressed to the Hub or Program Center Director along with your One-Year Budget form. Your letter must include the following information:

1. The extension amount you are requesting and the 12-month time period during which you

will use these funds. Make sure that this information is the same as that provided in Sections 2.i and 3 of the One-Year Budget form;

2. A statement that your development has no available project funds that could be used to pay for your Service Coordinator program, and
3. Additional itemized expenses that won't fit on the One-Year Budget form (if applicable).

Your budget form will provide basic development information, itemized expenses for each budget line item/activity, and the time period during which you will use the requested amount of funds. You must provide expense information for each program activity you propose and each activity's expenses must be provided separately and explicitly.

You may send your request to your field office by mail, fax, or email. If you send an email, please attach both your letter and your completed form HUD-91186-A to your message. Please contact the staff in your local office to obtain their email address or consult HUD's Employee Phone Book on our website, www.hud.gov. If you email your request, please send your message Receipt Requested or contact the staff person to whom you sent the request, to make sure they received it.

Reporting Requirements

If you receive extension funding, you must continue to submit the following reports to your local field office staff:

1. Two semi-annual Financial Status Reports, Standard Form (SF-269-A) and two Semi-Annual Performance Reports (form HUD-92456) each year. Both reports cover the same two reporting Periods – October 1 through March 31 and April 1 through September 30. The reports are due to your local field office staff on April 30 and October 30 respectively.
2. LOCCS Payment Vouchers, form HUD-50080-SCMF. You must submit a voucher form to your local field office staff after each draw down from LOCCS/VRS. Your grant agreement or subsequent amendments will state whether you draw down on a monthly or quarterly basis.
3. If your program includes Quality Assurance, you must submit each year a copy of at least one report prepared and submitted to you by your QA provider.

For further information about HUD's Multifamily Housing Service Coordinator program and to obtain forms and other program materials, visit HUD's website at <http://www.hud.gov/offices/hsg/mfh/scp/scphome.cfm>. We thank you for your continued interest in and support of the Service Coordinator Program.